Dear Whole Earth Gang-

So, I've spent the last week and a half looking at various scenarios for the future of Whole Earth, and what role the Catalog might play in these futures.

The situation, as you know, is a tough one, but not necessarily disastrous. Here are the main problems as I understand them:

- Point has significant debt and, at the moment, almost no revenue;
- *Whole Earth* is a money-losing proposition, and will continue to be unless significant capital is found to fund a circulation campaign and/ or increase advertising revenue dramatically;
- The Point/ *Whole Earth* donor base appears to be not big enough, not rich enough or not motivated enough (or perhaps some combination of the three) to make up Point's operating shortfalls;
- Charitable foundations have seemed reluctant to make major grants, either, recently – whether because of conservative granting guidelines, reluctance to fund media projects, concern about Whole Earth's stability, or just not having been approached the right way;
- *Whole Earth* is also, in my opinion, suffering a bit of an editorial identity crisis, having neither entirely galvanized its stalwart subscribers nor given a new generation reasons to regard it as required reading;
- Momentum is flagging. The current issue is three months late, the website hasn't been updated since 2001, the staff's been laid off, and, if I can be blunt, y'all on the board seem kind of burned out. Add to this the fact that being in business, even without staff, costs money, and I think it is easy to agree that time is not necessarily our friend here, that something needs to change and change quickly.

Here's where I'd like to present my brilliant business plan for how to change all this overnight. I spent most of the last two weeks trying to convince myself through organizational plans and budget scenarios that the Catalog was the way to keep publishing the Magazine, bring Point back to financial health and create a sustainable level of momentum. I've tried every way I could think of to draw a realistic plan in which the Catalog can change everything.

It won't. It won't change Point's situation overnight, and if we're unlucky it might not even make a dent over the medium-term. I think it's still worth doing.

Because with even a modicum of luck, a semi-independent Catalog project can be the cornerstone for Point building a more sustainable foundation. It'll bring in some operating funds in the short term. It'll bring in a modest income over the next two years, especially

if we solicit the aid of existing *Whole Earth* subscribers and supporters as "catalysts" (donors) for the new Catalog. If it's very successful – and one should always show up willing to be lucky – the royalties and income from future editions will be a major funding source. And above all, an editorially-successful Catalog will rebuild the Whole Earth brand and provide a sense of momentum and stability that will make *Whole Earth* attractive again to funders.

We should do a Catalog for other reasons, too, and those are the ones which weigh most heavily for me personally. I believe that past Catalogs have been tremendous tools for social change and cultural innovation, and that the planet needs extra helpings of both right now. I believe, too, that the zeitgeist is perfectly aligned for a new global WEC-like project and that it will find a ready readership. Most of all, I believe that the world will be a more beautiful, more hopeful, more interesting place with a *Global Whole Earth Catalog* in it. These reasons may or may not sway you, but they've already convinced me to do some kind of Catalog, Whole Earth or not.

Here's what I'd propose:

Create a new project under Point sponsorship to bring forth the Catalog. Have it sit under Point's nonprofit status "umbrella."

The new project (let's call it the Catalog Crew) will pass all revenues through Point, paying a 4% pass-through contribution. It could be a separate business, if convenient, or merely a separate bank account and set of legal relationships. There are tons of models for how to do this. All due fiscal responsibility will be exercised, with open books, regular reporting, and no debt being taken on without Point's permission in writing, etc.

(This is just what I'd suggest, of course): Suspend publication of *Whole Earth*. Notify subscribers that a new Catalog project and website are underway, and that subscribers are invited to join in the fun. How quickly *Whole Earth* can resume regular publication is obviously mostly dependent on the raising of money, but it may well be much easier after the Catalog is published. Perhaps that's what subscribers ought to be told.

If the Magazine resumes publication while the Catalog is underway – and I hope it does! – the Catalog Crew will have a whole mess of new content to contribute, and the Magazine can help promote the upcoming Catalog. (I do, however, suspect that the only way the Magazine can make it in the short/medium-term is for the Point board to go out and raise a lot of money from individuals. Whether the board can do this at the moment, I don't know. Perhaps one worthwhile immediate goal is to put together a board recruitment advisory committee to help identify and bring in a dozen or so new board members who have means or proven ability to raise money? Again, just a suggestion.)

The Catalog Crew will maintain the wholeearth.com website. If the Magazine starts publishing again while the Catalog is underway, we can easily accommodate that and co-promote on the site.

The Catalog Crew and Point will work together to raise Catalyst contributions, online contributions and certain major gifts and grants, and split the revenues thus generated.

In short, it'd look like this:

Income to Point:

- Half of all post-publication royalties.
- 4% of all revenues as a pass-through fee (over $25,000 in the projected budget below), for which Point agrees to handle bookkeeping and the other fiscal/ legal responsibilities of maintaining a nonprofit.
- $55,000 in estimated Catalyst and online donations, plus potential major donor and foundation income.
- A cut of any potential future foreign rights sales.

Intangibles to Point:

- Contribution to the mission: i.e., this is what Point was set up to do, to help make the world a better place by providing world-changing people access to world-changing tools.
- Renewed momentum.
- If the magazine is brought back within the next two years, it'll have access to fabulous new content.
- The website will be regularly and professionally maintained, becoming an asset again once is it handed back over to *Whole Earth*.
- Comparatively huge media attention to *Whole Earth*, and a new generation of potential subscribers in those who purchase the new catalog.

I've attached a budget and another copy of my original proposal for your consideration.

I feel awkward saying this, but it needs to be said: I'd really like to work together to bring forth a new Whole Earth Catalog, but I do want to be clear that I am continuing to move towards creation of a "non-Whole-Earth" Catalog. I have an agent and a new proposal in progress, and we're planning to begin putting the idea before publishers some time in June. These proposals are not complementary – that is, they can't both be done – and, if we're going to move forward with a Whole Earth Catalog, we need to decide that fairly quickly. This is not to apply pressure. This is simply to let you know that we think the proposal is time-sensitive, and to let you know the window we have to think about working together.

I'd love for us to find a way forward together. Can y'all give me some sense by next Monday (the 2nd) whether you think we have something worth discussing here?

I look forward to hearing your reactions. Don't hesitate to contact me with questions. My home number is 510.238.8258, feel free to call me here any time.

Thanks,
Alex

BUDGET:

The Catalog project will run roughly from July, 2003 to March, 2005. Here's an estimated budget. The numbers are middle-of-the-road projections: obviously, better revenue realities open up new possibilities, while falling short of projections will result in a more streamlined, hurried project. Figures below are rounded.

INCOME:

Earned Income:
$482,000 total from the publisher ($382,000 [450,000 minus 15% agent's cut] advance against royalties, and $100,000 production allowance – both these figures are consonant with the MWEC's, once inflation is counted in)
$50,000 online retailer exclusive sponsorship (which seems a low middle-of-the-road figure for Amazon) and/or other licensing relationships
$75,000 in foundation grants/ donations for promotion of GWEC
$20,000 in editorial-specific grants/ donations
[subtotal: 627,000, minus 4% pass-through to Point = $602,000]

Donations in Cooperation with Point/ Magazine:
$50,000 "Catalyst" presales, etc. ($100,000 NET, split 50/50 with Point)
$5,000 online donations ($10,000, split 50/50 with Point)
(other major donor/ foundation support?)
[subtotal: $55,000]

In-Kind Donations:
Publicity – assumed in this plan are a) that the publisher will make a reasonable effort to promote the book through normal mainstream channels; b) that a progressive PR firm (such as Fenton or Pyramid) will offer to take on this campaign pro-bono, or help us raise new funding to pay for their work. I have a lot of contacts in this world.
Software – assumed in this plan is the use of free software.
Offices – assumed in this plan is the donation of office space: this in turn is based on my personal experience, as I've always been able to find free space.
Hosting – assumed in this plan is that donated server space can be found: ditto.

[INCOME TOTAL: $657,000]

EXPENDITURES:

Salaries:
(all totals include 20% for taxes and benefits)
Editor* $130,000 (1.75 years @ $50,000/ year, plus $25,000 repayment for expenses and work prior to signing)
Executive Producer* $105,000 (1.75 years @ $50,000/ year)

Art Director* $55,000 (1 years @ $40,000/ year, $7,000 on-going contractual work)
Managing Editor* $75,000 (1.75 years @ $36,000)
Office Manager/ Librarian $34,000 (.66FTE, 1.75 years @ $24,000)
(* indicates a staffer eligible for participation in royalty sharing)
[subtotal: $399,000]

Contractors:
Editor-At-Large $4,000
Online Editor* $32,000 (1.75 years, .5FTE @ $36,000)
Section Editors $12,000 (six at $3,000)
Freelance Contributors $50,000
Production Assistant $14,000 (.5 year @ $24,000)
Proofreader $5,000
Indexer $2,000
Assistant Editor $10,000 (.5FTE, 1 year @ $20,000)
Interns $7,000 (seven at .4FTE, nine months each, $1,000 bonuses)
[subtotal: $136,000]

Overhead:
$15,000 postage, overnighting, etc.
$20,000 Computers and tech
$11,000 Phones ($500/ mo., plus fudge)
$15,000 Travel
$3,500 Office maintenance, furnishings etc.
$5,000 Production expenses
$2,000 Office supplies
$1,000 Library expenses
$6,500 Utilities ($300/ mo +)
$5,000 staff support, morale-building, entertainment, office parties, etc.
$3,000 promotion/ launch expenses
[subtotal: $87,000]

[TOTAL EXPENDITURES: $622,000]

[INCOME MINUS EXPENDITURES: $35,000]

Editorial Timeline:

July, 2003 – September, 2003
[Note: this period may require some risk on the part of initial staff, taking on work for which they will be paid once the check clears, if the book deal goes through. I believe the staff will take on this risk if all the other signs look good.]
Agent shops the book
Scoping and outlining continue
Website relaunched
Catalyst campaign begins

October, 2003 – December, 2003
Systems set up
Section editor and major freelance assignments made
barnstorming trip
Initial publicity push
Amazon, foundations
Art direction begins

January, 2004 – August, 2004
Freelance pieces and section editors' work arrives
Rolling deadlines for chunks of the editorial
Production begins, with rolling deadlines to publisher
Website
Proofreading and Indexing

September, 2004
Production finalized. All hands on deck.
Book delivered to publisher by end of month (one year, three months from start).

October, 2004 – December, 2004
Housekeeping put in order and a brief vacation for all
Publicity tour, launch events, promotions prepared
Website

January, 2005 – March, 2005
Publication!
Launch events
Publicity tour
Promotions campaign

(After March, 2005):
(On-going, low-level promotion, as appropriate. Book royalties after advance is earned back (split 50/50 with Point, after agent's fee) are mostly distributed as bonuses for staff and foreign sales, if any (split 80/20 with Point), are used to pay for work associated with foreign releases and distributed as bonuses for staff). Catalog Crew either disbands, or, if things have been a raging success with millions of copies sold, prepares to do it again.